UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

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AUDIT

OF

UNDP COUNTRY OFFICE

IN

THE BOLIVARIAN REPUBLIC OF VENEZUELA

Report No. 2004

Issue Date: 7 December 2018

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Report on the Audit of UNDP in the Bolivarian Republic of Venezuela
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP in the Bolivarian Republic of Venezuela (the Office) from 1 to 12 October 2018. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

(a) governance (leadership, corporate direction, corporate oversight and assurance, corporate external relations and partnership);

(b) programme (quality assurance process, programme/project design and implementation, knowledge management);

(c) operations (financial resources management, ICT and general administrative management, procurement, human resources management, and staff and premises security); and

(d) United Nations leadership and coordination.

The audit covered the activities of the Office from 1 January 2017 to 30 June 2018. The Office recorded programme and management expenses of approximately $11.3 million. The last audit of the Office was conducted by OAI in 2015.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OAI assessed the Office as **partially satisfactory/some improvement needed**, which means, "The assessed governance arrangements, risk management practices and controls were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area." The rating was due to concerns about the Office's financial sustainability and weaknesses in the payment process.

Key recommendations: Total = **7**, high priority = **2**

The seven recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1	High
	3	Medium
Reliability and integrity of financial and operational information	4, 7	Medium
Effectiveness and efficiency of operations	6	Medium
	5	High
Compliance with legislative mandates, regulations and rules, policies and procedures	2	Medium

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. All high (critical) priority recommendations are presented below:

Office's financial sustainability at risk (Issue 1)	With limited donor presence, the project pipeline depended on government funds, which had diminished over the past years. This was demonstrated by the diminishing delivery trend from $38.1 million in 2015, to $10.9 million in 2016, to $6.7 million in 2017. The cost recovery calculated for 2018 for the Office was $0.25 million while expenses amounted to $1.3 million, representing a shortfall of almost $1.2 million at the end of the year. The approved Integrated Work Plan already included this deficit that was agreed to be covered with funds from account 11888 (Country Co-Financing Cost Sharing). While the Office made efforts to recover costs through the signing of agreements with counterparts, low levels of delivery hindered the Office's ability to cover costs. Recommendation 1: The Office should continue its efforts to keep delivery at the highest level possible and reduce operational costs to a point where it is sustainable.
Weaknesses in the payment process (Issue 4)	The audit team identified the following weaknesses in the payment process: ▪ Security controls in the E-banking web application were insufficient as the application allowed the Finance Associate to create payments to suppliers, change the value of each payment, and delete payments and duplicate prior payment requests already processed and paid. ▪ No control was in place to ensure that Atlas (enterprise resource planning system of UNDP) payment information (vendor name, bank account number and value) matched a vendor's payment information in the E-banking web application prior to processing payments. ▪ The standard operating procedures detailing the E-banking payment were approved by UNDP Treasury in September 2018. However, a new test on the conversion format of the file used to upload payment information in the E-banking system had to be conducted, and it was still pending as of 5 December 2018. Recommendation 5: The Office should enhance its payment process by: (a) clarifying roles in the payment process and ensuring adequate approval levels; (b) comparing Atlas payment information with the E-banking web application information before approving payments to release funds; and (c) finalizing the standard operating procedure for using the E-banking web application that is tested, reviewed and cleared by UNDP Treasury..

Implementation status of previous OAI audit recommendations: Report No. 1566, 12 February 2016

Total recommendations: 6

Implemented: 6

Management comments and action plan

The Resident Coordinator/Resident Representative accepted all seven recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.

Helge S. Osttveiten
Director
Office of Audit and Investigations

I. About the Office

The Office, located in Caracas, in the Bolivarian Republic of Venezuela (the Country) consisted of 22 staff members at the time of the audit. The Country Programme Document was aligned to the 2015-2019 United Nations Development Assistance Framework and the UNDP Strategic Plan in response to national priorities.

The Country faced a series of political and socio-economic challenges. The financial implications for UNDP have been complex, leading to frequent adjustments and clearing of accounts, which resulted in ad hoc measures taken by UNDP Treasury to adjust for changes to local currency denominations in agreement with the Regional Bureau for Latin America and the Caribbean.

The roll out of the most recent currency took place on 20 August 2018; for accounting purposes, this change came into effect for UNDP on 1 September 2018 and the Office opened a new bank account for this purpose. At the time of the audit, the Office was in the process of closing bank accounts where it had funds in the Country's former currency. As part of UNDP's actions intended to mitigate the impact of the devaluating currency, since 2016, most UNDP operations had been carried out in US dollars (e.g., salaries, imports, local procurement activities). Only a small number of payments were being made in the local currency. Staff salaries and benefits were being paid in US dollars based on a salary scale calculated in 2016. Cash shortages in the recent past have had a negative impact on the programme, forcing the Office to adjust its Integrated Work Plan targets.

The audit team acknowledges the efforts made by the Office's management in consultation with the Regional Bureau for Latin America and the Caribbean to maintain operations in a complex financial environment.

II. Audit results

Satisfactory performance was noted in the following areas:

(a) Governance/Leadership, ethics and values. Key controls were in place. Overall, staff members were aware of the Office's priorities, challenges and control objectives. No reportable issues were identified.

(b) Governance/Corporate oversight and assurance. Implementing partners and one donor with whom OAI met during the audit mission expressed their appreciation of the Office as a valued development partner.

(c) Operations/Information and communication technology. The systems managed by the Office, including hardware, software and systems security were operating adequately.

(d) Operations/General administration. Records and controls were adequate for asset management.

(e) Operations/Safety and security. The governance, risk management and control systems in the Office were adequate and effective.

(f) United Nations leadership and coordination. No reportable issues were identified. United Nations agencies with whom OAI met during the audit mission expressed their appreciation for the role played by the Resident Coordinator in leading the UN system.

OAI made two recommendations ranked high (critical) and five recommendations ranked medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Office and are not included in this report.

High priority recommendations, arranged according to significance:

(a) Continue efforts to keep delivery at the highest level possible and reduce operational costs to a point where it is sustainable (Recommendation 1).
(b) Enhance the payment process (Recommendation 5).

Medium priority recommendations, arranged according to significance:

(a) Improve project management (Recommendation 3).
(b) Ensure that all GLOC payments are appropriately recorded in the UNDP accounting books (Recommendation 2).
(c) Strengthen knowledge sharing (Recommendation 4).
(d) Strengthen the practice of hiring individual contractors (Recommendation 7).
(e) Ensure that NIM advances and related disbursements are properly justified (Recommendation 6).

The detailed assessment is presented below, per audit area:

A. Governance

1. Corporate External Relations and Partnerships

Issue 1 Office's financial sustainability at risk

The Standard Basic Assistance Agreement signed by UNDP Country Offices and Governments provides that host Governments are expected to contribute towards the local costs of Country Offices. In addition, the 'UNDP Programme and Operations Policies and Procedures' require Country Offices to establish effective partnerships, develop a Resource Mobilization Strategy, as well as implement a corresponding Resource Mobilization Action Plan. Pipeline management supports two key organizational objectives: strategic and financial, as it ensures that UNDP remains in line with its Strategic Plan and it enhances the ability of UNDP to leverage and maximize partnerships and opportunities for development financing. It also contributes to ensuring financial sustainability of the organization through enabling better informed and more accurate resource projections and making necessary adjustments in internal resource planning.

With limited donor presence, the project pipeline depended on government funds, which had also diminished over the past years. This was demonstrated by the diminishing delivery trend from $38.1 million in 2015, to $10.9 million in 2016, to $6.7 million in 2017.

The Integrated Work Plan for 2018 was approved with a total delivery target of $5.4 million (likely to be achieved at year-end). The cost recovery calculated for 2018 for the Office was $0.25 million while expenses amounted to $1.3 million, representing a shortfall of almost $1.2 million at the end of the year. The approved Integrated Work Plan already included this deficit that was agreed to be covered with funds from account 11888 (Country Co-Financing Cost Sharing). While the Office made efforts to recover costs through the signing of agreements with counterparts, low levels of delivery impaired Office's ability to cover costs.

While the Office was working on its project pipeline, it was difficult to assess the maturity level due to the Country's context; however, the audit team was informed that after the audit fieldwork, the Office signed a Cost Sharing Agreement with the Government on 9 November 2018 for 50 million euro, which comprised a cost recovery of 5 percent for General Management Support fees and 2 percent for Direct Project Costing. With these upcoming projects, the financial position of the Office was likely to improve.

As of the audit fieldwork, there were arrears of $1.5 million of Government Contributions to Local Office Costs (GLOC) for the period from 2016 to 2018, despite the efforts made by the Office to collect them from the Government. The audit team was informed, after the audit fieldwork, that the GLOC was paid by the Government sometime in October 2018; however, the entry showing the contribution was not yet reflected in UNDP accounting books.

Lack of sufficient financial resources can compromise the sustainability of the Office and negatively impact the achievement of UNDP's overall mandate in the Country.

Priority High (Critical)
Recommendation 1: The Office should continue its efforts to keep delivery at the highest level possible and reduce operational costs to a point where it is sustainable.
Management action plan: The Office agrees with this recommendation. The following actions are being taken to strengthen the financial position of the Office: (a) Monthly scan meetings chaired by the Deputy Resident Representative to assess delivery, income and expenditures to strengthen financial management. (b) As of 21 November 2018, delivery reached 93.90 percent of the Integrated Work Plan target. (c) A recurrent cost contention plan is already in progress. **Estimated completion date:** June 2019

Priority Medium (Important)
Recommendation 2: The Office, in coordination with the Regional Bureau for Latin America and the Caribbean and the Bureau for Management Services, should ensure that all GLOC payments are appropriately recorded in the UNDP accounting books.
Management action plan: The Office agrees with this recommendation. Actions are being taken to strengthen the financial position of the Office through the GLOC recovered, but yet to be recorded in UNDP accounting books. **Estimated completion date:** June 2019

B. Programme

1. Programme/Project Design and Implementation

Issue 2 Weaknesses in project management

According to OAI's call letter for the Harmonized Approach to Cash Transfer (HACT) financial audit exercise, offices do not have to arrange for audits of projects that have significant Country Office support, provided that a Letter of Agreement for Country Office support to national implementation (NIM) has been signed by UNDP and the Government. The expenses incurred through Country Office support will be audited under the direct implementation (DIM) audit modality. Further, the 'UNDP Programme and Operations Policies and Procedures' stipulate that to achieve project outputs, each project should have a results and resources framework clearly formulated in the project document and approved by the appropriate authority, in line with the delegations of authority policy. Sound project management starts with project document formulation, implementation of activities to achieve the agreed outputs, monitoring, evaluation and closing of projects. Project management information should be stored in Atlas (enterprise resource planning system of UNDP), which is the corporate system used to process financial and operational data for reporting to donors and other stakeholders and, as such, users are required to make good use of the system.

The audit team reviewed a sample of five development and engagement facility projects and found the following:

- The Office provided support services to three NIM projects (comprising seven outputs) with total expenses incurred during FY2017 of $2.2 million. The Office signed Letters of Agreement with the national partners to implement specific activities for the projects (procurement and recruitment). However, the audit of expenses incurred by the Office for these three projects was covered by the HACT financial audit exercise and not under the DIM audit modality.
- Project 00099234 was created in Atlas as a management project when in fact it was development related. The Office explained that the project was created at the request of the United Nations Environment Programme (UN Environment), a non-resident agency in the Country, and the Government. The Office was to provide only financial management support to the agency project, as recommended by the Global Environmental Facility focal point at the Panama Regional Hub, under the existing agency service agreement. Nevertheless, a review of the project showed the following discrepancies:
  - In July 2017, the Office signed a non-standard Project Cooperation Agreement, which did not have the required clearance from the Legal Office. This agreement included a non-standard audit clause stating that annual and project closure audits should be conducted by an external audit firm. Given the applicable UNDP rules, the Office would not be able to fulfill this requirement without compromising the single audit principle.
  - The Office agreed with UN Environment and the GEF, per the GEF approval letter, that the Office would be part of the project board, have a representative at the Project Management Unit, and provide M&E support to the project. The Office had become involved in project implementation and was thus accountable for a project document signed by other parties, a role that went beyond the one provided for by the agency service agreement.
  - In August 2017, a non-standard Letter of Agreement for Country Office support to national implementation was signed; however, this was used only when the Office served as responsible

party for nationally implemented projects for UNDP's implementing partner, which was not the case in this situation, as in this case the project and the implementing partner were part of UN Environment.

- Funds from the Engagement Facility project were used for the UN Environment project until funds from UN Environment were transferred (bridge funding), despite not having an approved budget override policy from UNDP's Comptroller. The Office should have processed an override to reflect the deficit in Atlas, pending the receipt of funds from UN Environment.

Without adequate project management, the projects may not achieve agreed outputs, thus putting the Office at risk with main stakeholders and the host Government.

Priority Medium (Important)

Recommendation 3:

The Office should improve its project management by:

(a) complying with the requirements of OAI's call letter for the HACT financial audit exercise when preparing for the audit of nationally implemented projects;
(b) providing services to agencies using standard agreements and refraining from signing letters of agreement to provide support to non-UNDP implementing partners; and
(c) seeking guidance from the Regional Bureau for Latin America and the Caribbean to adjust the project set-up in Atlas and ensuring adequate use of overrides in Atlas and refraining from bridge funding projects.

Management action plan:

The Office will:

(a) Ensure that all Local Project Advisory Committees have a standard review checklist in which a specific analysis of audit clauses will be undertaken.
(b) Enforce the use of standard agreements. The new Local Project Advisory Committee checklist will ensure referral and participation by the Regional Bureau for Latin America and the Caribbean in all inter-agency project reviews.
(c) Make sure to use appropriate funding sources. The Finance Officer will present a report to the Deputy Resident Representative on any bridge funding for projects.

Estimated completion date: June 2019

2. Knowledge Management

Issue 3 Weaknesses in knowledge sharing

The key objective of knowledge management in UNDP is to drive UNDP's global leadership in achieving the outcomes of the Strategic Plan. Knowledge sharing provides the groundwork for more vibrant exchanges of ideas and solutions, triggering learning which can then be systematically documented and integrated into programming, creating experiences from which new knowledge generation, sharing and exchange can emerge.

The audit team interviewed government counterparts and implementing partners to gather information about knowledge management practices adopted by the Office and reviewed the data collected during the monitoring of programme and projects, including lessons learned. The audit disclosed that out of the six projects reviewed, three had the same lessons learned repeated during six consecutive quarters, revealing a lack of care in capturing lessons learned over the course of the projects. One of the interviewed partners explained that the process was perceived to only capture what did not work and not necessarily what worked, which would have allowed knowledge sharing with other projects.

Furthermore, important lessons learned and good practices from projects were not fully identified due to the lack of a communications strategy as mentioned by one implementing partner and confirmed by the audit team.

Without a systematic approach to sharing knowledge with counterparts and capturing lessons learned, the Office may be at risk of not achieving its programme results.

Priority	Medium (Important)
Recommendation 4: The Office should strengthen knowledge sharing by: (a) systematically capturing and documenting lessons learned from projects throughout the programme lifecycle; and (b) developing a communications strategy to enhance UNDP's visibility and potential for new partnerships.	
Management action plan: (a) The Office will make sure to properly document lessons learned. A focal point will be appointed in order to have annual lessons learned duly documented. (b) A consultancy is being carried out to develop a communications strategy. More generally, the Local Project Advisory Committee checklist will contain one item, for relevant projects, to verify sufficient budget allocation for communications needs. **Estimated completion date:** September 2019	

C. Operations

1. Financial Resources Management

Issue 4 Weaknesses in the payment process

The 'UNDP Financial Regulations and Rules' stipulate that all disbursements shall be made by cheque or bank transfer, except to the extent that cash disbursements are authorized by the Treasurer. The purpose of the electronic banking interface is to facilitate the routing of payments to UNDP's disbursing banks and collection of bank statements from UNDP's reporting banks. In accordance with UNDP´s Treasury Advisory to all Operations Managers and Deputy Resident Representatives, issued 13 May 2016, procedures for use of the interface should be documented through a standard operating procedure reviewed and cleared by Treasury.

The Finance Assistant is responsible for processing the pay cycle. The audit team identified the following weaknesses in the payment process:

- Security controls in the E-banking web application were insufficient as the application allowed the Finance Associate to create payments to suppliers, change the value of each payment, and delete payments and duplicate prior payment requests already processed and paid. The vendor's account number could be modified, but the application does a control check on the bank account number and vendor name.
- The payments are released from the E-banking web application after two signatories approve the payments, although this could be done without having them verify the supporting documentation on the payments.
- No control was in place to ensure that Atlas payment information (vendor name, bank account number and value) matched a vendor's payment information in the E-banking web application prior to processing payments.

  The standard operating procedures detailing the E-banking payment were approved by UNDP Treasury in September 2018. However, a new test on the conversion format of the file used to upload payment information in the E-banking system had to be conducted, and it was still pending as of 5 December 2018.

Insufficient controls to verify that payments approved in Atlas match with those sent to the bank for release may result in unauthorized payments being made, while inadequate segregation of duties may jeopardize the effectiveness of the internal control system, which can lead to undetected errors.

Priority High (Critical)

Recommendation 5:

The Office should enhance its payment process by:

(a) clarifying roles in the payment process and ensuring adequate approval levels;
(b) comparing Atlas payment information with the E-banking web application information before approving payments to release funds; and
(c) finalizing the standard operating procedure for using the E-banking web application that is tested, reviewed and cleared by UNDP Treasury.

Management action plan:

(a) The Office has clarified the roles in the Internal Control Framework version of 15 October 2018, shared with all staff.
(b) The Office is now comparing the Atlas payment info with the E-banking web application in order to avoid any inconsistency in the EFT file to be transmitted to the bank.
(c) The Office is working to validate and test the new CSV file modality offered by the Office of Financial Resources Management / Treasury and is expecting to finalize the review at mid December 2018.

Estimated completion date: March 2019

OAI response:

OAI acknowledges the actions taken by management and these will be reviewed at a later stage as part of the standard desk follow-up process of OAI. OAI will also review the results of the tests to be conducted, as agreed with the Office of Financial Resources Management / Treasury by mid December 2018, to enhance the interface between Atlas and the bank platform.

Issue 5 NIM advances used to pay project personnel exceeding agreed amounts

According to the 'UNDP Programme and Operations Policies and Procedures', the approval of a request for an advance of funds by an implementing partner, known as NIM advances, for a particular project is subject to the verification by the Office that at least 80 percent of the previous advance of funds and 100 percent of all earlier advances have been liquidated. Nationally implemented projects can choose either by opening a dedicated bank account to process payment or request the Office to make payment on their behalf.

The accountability of an implementing partner, among other responsibilities, is to maintain documentation and evidence that describes the proper and prudent use of project resources in conformity with the project agreement, and applicable regulations and procedures. This documentation will be available on request to project quality assurers and designated auditors.

NIM advances granted from 1 January 2017 to 30 September 2018 amounted to $224,608 and corresponded mainly to project 00102146 (output 00104310, Institutional Strengthening Montreal Protocol Phase XIII). The Office did not follow the requirement that at least 80 percent of the previous advance and 100 percent of all earlier advances should have been liquidated before granting a subsequent advance of funds to the implementing partner. Advances were granted by the Office on a monthly basis to pay salaries for project personnel hired by the relevant government ministry. Supporting documentation used to justify the request for advances consisted of a list of individuals to be paid every month. The audit team requested the contracts of the project personnel to be reviewed, but no contracts were made available. The audit team was also unable to verify payments to individuals listed in the supporting documentation since it was not possible to match transactions reported in bank statements against supporting documentation on payments to project personnel.

Project 00102146 was approved to be implemented over the course of two years (2017 and 2018) with a total budget of $365,414 of which $50,000, or 13.6 percent, was allotted to cover project personnel salaries. However, expenses recorded at the time of the audit on salaries for project personnel were as follows:

Project expenses	FY2017	FY2018*
Personnel (National)	$143,277.00	$56,267.22
Total project expenses	$145,891.00	$79,931.14
Percentage ratio	98%	70%

** As of 30 September 2018*

Inadequate use of funds and incorrect payments might negatively impact the Office's reputation and increase business risks with donors.

Priority	Medium (Important)
Recommendation 6: The Office should ensure that NIM advances adhere to 'UNDP Programme and Operations Policies and Procedures', and that disbursements are justified and supported with proper documentation.	
Management action plan: NIM advances will be disbursed as per rules and regulations. A memorandum will be issued to the finance and programme units requesting written approval by the Deputy Resident Representative for each advance. **Estimated completion date:** June 2019	

2. Procurement

Issue 6 Weaknesses in the hiring of individual contractors

The individual contract policy stipulates the criteria for determining payment rates for individual contracts. As a guiding principle, fees must reflect fair market prices, while still securing high quality services. The individual contract policy further states that regardless of the nationality or citizenship of the individual being engaged, the determination of rates and currency of the payment should be based on the requirement stipulated in the terms of reference, based on experience and expertise and the skills needed for work or assignment.

In May 2018, the Office requested authorization from the Office of Financial Resources Management through the Regional Bureau of Latin America and the Caribbean, to pay local consultants in US dollars. Because of the local currency volatility, individual contracts quoted in local currency hindered the Office's competitiveness in attracting highly qualified local consultants required for project implementation.

The terms of reference of the individual contracts did not clearly address the complexity, difficulty, the operating environment, or the skills and expertise required for the assignment and the prevailing local market for the expertise requirement. Such considerations would have helped justify the use of international rates for the payment of individual contracts. The Office had not updated a table of consulting fees to be used as a benchmark for individual contracts, built on an actual market survey and analysis.

Without an updated table of consulting fees, the Office is at risk of not obtaining the best value for money when hiring individual contractors.

Priority	Medium (Important)
Recommendation 7: The Office should strengthen the practice of hiring individual contractors by: (a) engaging the Regional Bureau for Latin America and the Caribbean and the Office of Financial Resources Management in obtaining authorization for the Office to use of a salary scale in US dollars for projects that are funded in that currency; and	

(b) ensuring that experience, expertise and skills, complexity, and the operating environment are addressed in in developing terms of reference for individual contracts.

Management action plan:

The Office will:

(a) Use the table for consulting fees developed by the Pan-American Health Organization as agreed by the UN Country Team.
(b) Seek for professional and specialized advice when needed in regard to the development of terms of reference for individual contractors, in particular with the Regional Centre in Panama, other UN agencies and international financial institutions.
(c) Follow up, on a monthly basis, on the request to Headquarters for payment in US dollars of individual contractors hired by projects funded in US dollars.

Estimated completion date: July 2019

Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **Satisfactory** — The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.

- **Partially Satisfactory / Some Improvement Needed** — The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.

- **Partially Satisfactory / Major Improvement Needed** — The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.

- **Unsatisfactory** — The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** — Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.

- **Medium (Important)** — Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.

- **Low** — Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.